

Maine's Natural Resource-Based Industries: Finding Common Solutions

By:

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I. Introduction

Maine's natural resource-based industries – fishing, farming, forestry, aquaculture and nature-based tourism – define Maine. Those rugged individuals who work the land, forest and sea possess all the qualities we admire – courage, ingenuity and an unsurpassed work ethic. This is our heritage, the very essence of who we are, or, more importantly, who we believe we are. Each industry is wonderfully unique, fiercely independent, distinctly separate. And yet, as you look across the sectors, you discover undeniable commonalities and inextricable links.

Like so many of the state's mainstay industries, the natural resource-based industries are under siege. Globalization of world markets and the evolution of technology have shattered the long-held beliefs that proximity to the natural resource provides competitive advantage, that our biggest competition is in the New England region or, at worst, in the US, that Maine wood fiber, lobsters and potatoes are so special they are without peer and, most painfully, that our work ethic and Yankee ingenuity are enough to assure success. Patterns of development have fragmented the land base, driven coastal valuations to outrageous levels, and led to the conversion of farmland and working waterfronts to residential and passive commercial uses. And the pace of change is accelerating, leaving little or no time to thoughtfully plan for the future.

Historically, the sheer size of these industries has allowed them to operate in their own worlds. When Maine became a state in 1820, agriculture, fishing, lumber and wood products represented about 80% of our economy, clearly dominating and defining the 23rd State. With the ensuing industrial revolution and the subsequent transformation of the US economy to a service-based economy and, most recently, towards a knowledge-based economy, the dominance of these foundational industries has diminished greatly. Aquaculture, fishing, farming, and forestry collectively provide about 8% of Maine's current job base, and a little less than 10% of the Gross State Product. Recent history shows that job growth in these industries has stagnated and while value-added has grown, it has not kept pace with value-added growth in other sectors of the Maine economy. The direct economic contribution of these industries underestimates their importance to Maine's people, economy, and culture, however, as these industries are the primary stewards of the rural landscape on which Maine's vital tourism industry (10% of total employment) and its emerging retirement industry are built, and which serves as an

attractant to college students, entrepreneurs, and researchers seeking a high “quality of place”.

Right now, fishing, farming, forestry, aquaculture and tourism are loosely woven together, but we must grow to appreciate the strength of a tighter weave. As the world economy has changed, the pressures bearing down on Maine’s businesses and natural resources are enormous, unforgiving, and demand a new and coordinated approach. Whereas each of the five background papers written for this conference focuses on the issues faced by the particular industry and the opportunities that exist for growth and development of that sector, this paper examines the five sectors together and seeks to identify common issues and common solutions that would benefit all.

After reviewing the five sector papers and the recommended actions, and meeting with representatives from each industry, eight cross-cutting issues emerged.

- 1) Access to the Natural Resources
- 2) Market Development and Branding
- 3) Strengthening and Expanding Small Business Support
- 4) Objective Data, Research and Science for Policymaking
- 5) Clear, Predictable Public Policy
- 6) Tax Policy and Economic Development Incentives
- 7) Coordination/Collaboration across industry sectors and government agencies
- 8) Public Infrastructure

Section II of this paper provides a brief listing of efforts that are currently underway which could be used as vehicles for addressing these issues.

Section III provides a description of the eight cross-cutting issues listed above and offers recommendations to address the cross-cutting issue or to seize opportunities that have been identified to enhance Maine’s natural resource-based industries. These recommendations are meant to prompt the debate and brainstorming. Some are well thought out, others are new ideas meant to spark discussion. Most importantly, the conference planners want to engage participants in the development of plans to place these critical industries on a dynamic yet sustainable development path.

II. Current Efforts Underway

There are a number of agencies, organizations, task forces, councils and stakeholder groups which are fully engaged in the issues faced by the five natural resource-based industries examined here. Each is contributing in significant ways to the future of a particular industry. It is our hope that as cross-cutting ideas and opportunities emerge, these various organizations, with their background and experience in at least one of the sectors, could be called upon to join forces with experts and stakeholders in the other sectors to aid in the development of a comprehensive action plan that enables the issues to be addressed at a much higher level. It is also our hope that, by listing some of the current efforts that are underway, conference participants and other interested parties will be encouraged to join these efforts, or at a minimum learn from their experience and apply that knowledge elsewhere.

A partial listing of current efforts and organizations follows:

- ✓ **Aquaculture Task Force and Stakeholder Advisory Council** – LD 1519 called for the development of an Aquaculture Task Force to work with the Department of Marine Resources and the Maine Coastal Program to examine issues and make specific recommendations on enhancing this industry's growth in a report due to the legislature by January 31, 2004. A stakeholder advisory council is informing the process.
- ✓ **Ground Fish Task Force** – A recently appointed industry task force which will focus on sustaining and growing a healthy ground fish industry in Maine.
- ✓ **Community Preservation Advisory Council (CPAC)** – A standing legislative body established by the 120th Legislature (2002) and charged with advising the Governor, the Legislature, state agencies and entities on matters relating to community preservation, community planning and sprawl.
- ✓ **Working Waterfront Coalition** – A small group of state officials and industry interests actively seeking ways to resolve the myriad of issues that result from skyrocketing coastal valuations.
- ✓ **Maine Tourism Commission's Natural Resources Committee** – A multi-faceted committee of private and public sector interests charged with developing strategies to enhance and promote nature-based tourism.
- ✓ **Maine Economic Growth Council** – A public-private advisory body that publishes an annual report, *Measures of Growth*, which currently measures our progress in some areas that are central to the viability of the natural resource economy.
- ✓ **Dairy Task Force** – A public-private task force comprised of dairy farmers, processors, equipment dealers, legislators and a number of experts who have drafted recommendations for the Administration's consideration.

III. Cross-Cutting Issues

A. Access to the Natural Resource

1. Articulating the Issue

In order for Maine's natural resource-based industries to survive and prosper, it is essential for them to have effective and continuing access to the resource they use, be it large, relatively flat and open land for farming, forests for harvesting wood, shore frontage and docking facilities for commercial fisheries and aquaculture, or access to Maine's lakes, rivers, mountains, ocean and forests for hunting, fishing, hiking, boating and camping. As simple and obvious as this may sound, there are four major trends that have been limiting the access to the very resources these industries need for survival.

Patterns of Development – Land in Maine, particularly in southern and coastal areas, is being consumed at an alarming and accelerating rate. From 1970-1990, there was as much land developed in Maine as there had been in the prior 150 years, and the forecast is for the area developed over the next 20 years to double again. This development has fragmented the land base, often cutting up parcels of land in such a way that it becomes uneconomic to harvest or to plant. In addition, strain is put on area wildlife as their habitat is altered and often ruined.

Rising Valuations – Given the limited supply of land and shore frontage, as development occurs, the value of properties rises. Large, open flat parcels like farms and orchards become very attractive and valuable for residential development. Similarly, ocean frontage has become an extremely valuable commodity as wealthy families build seasonal and year-round homes on the shore, bidding prices up and driving tax valuations to extremely high levels. Pressure is also being put on Maine's seemingly endless forestlands, as they offer remote wilderness retreats. In all, the rising valuations force farmers to sell off land for their retirement income, drive fisherman away from the shore because of burdensome property taxes, and tempt wood-lot owners to liquidate and sell.

Conflicting Uses – The first cousin of sprawling patterns of development is the rise in conflicting uses. It's odd to imagine that upscale subdivisions are built right near Maine's quaint farms, then the new residents complain bitterly because manure is spread on the cropland and tractors start running at early morning hours. The same is true of those residents and business owners who build right on the ocean and complain about the unsightly fishing vessels, smelly fishing gear, or aquaculture pens that are in their view. So, too, have problems arisen when motorized vehicles such as personal watercraft on Maine's pristine lakes, or ATV's and

snowmobiles inland impinge on the quieter experience some are seeking in canoes, on foot, or on cross-country skis. Recognizing and validating the opposing views and pro-actively seeking some middle ground could greatly benefit these industry sectors.

Forestland Ownership Changes – There have been deep and unsettling changes in forestland ownership over the recent 10-15 years. In some cases, major land parcels have changed ownership 2 or 3 times or large tracts have been divided and offered for sale in much smaller parcels. The changing ownership patterns generate unease as to the continued future availability of these lands for forest management and wild-land recreation.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Create a Comprehensive Action Plan to Address the Enormous Pressures that Rising Land Valuations are Placing on Fishing, Farming and Forestry Land Owners** – The Departments of Conservation, Marine Resources and Agriculture should work directly with the State Tax Assessor and Industry Stakeholders to address the critical issues around rising land valuations and the pressure this is exerting on these industries to sell off land. The work of the Working Waterfront Coalition should be considered in these planning efforts.
- ❖ **Strengthen Maine's Service Center Communities to the Fullest Extent Possible as a Primary Strategy for Stemming the Ill-effects of Sprawl on Rural Maine** – The State Planning Office, in developing the Governor's Fiscal Reform and Smart Growth agendas, should explore every avenue of strengthening Maine's Service Centers in an effort to alleviate the tremendous pressure on rural land development.
- ❖ **Develop a Clear Long-term Vision and a Strategic Action Plan for Statewide, Public-Private, Land Conservation and Easements to Assure Multi-Use, Working Forestlands and Lake and Ocean Access** - the Land for Maine's Future Board should work with the Maine Office of Tourism, and the Departments of Agriculture, Conservation and Inland Fisheries and Wildlife to develop a long term vision and an accompanying strategic plan for purchasing land in a coordinated fashion. Land purchases which offer extended tourism "pathways or trails" should be given priority. This plan should be developed in collaboration with landowners, tourism regions, recreation user groups, and conservation organizations in framing a strategy for acquisition, management, and promotion of the public's and the land trusts' expanding Northern Forest and Down east Lakes domain. This is critical both for tourism branding and long-term resource conservation.

- ❖ **Reauthorize the Land for Maine’s Future program with a new bond issue** – Once the vision and strategic plan are developed, a new bond should be authorized to make strategic land purchases that protect and sustain multi-use forestlands.
- ❖ **Increase public information on “Right to Farm” and “Right to Fish” laws** – The Departments of Agriculture and Marine Resources should work with the Maine Real Estate and Development Association (MEREDA) to raise awareness of these laws and the implications of settling next to working farms and waterfronts.

B. Market Development and Branding

1. Articulating the Issue

With the commoditization of product markets and the evolution of fierce global competition, it has become increasingly difficult for comparatively small Maine enterprises to compete. Fortunately, the Internet has provided an entirely new marketing option that has enabled Maine businesses to reach out across the globe in their marketing efforts in a manner and to a degree that they could never have done through traditional marketing channels. Further, we are starting to appreciate the fact that products that are “Made in Maine” are respected and valued, providing advantageous market opportunities for Maine businesses.

The degree to which market development has taken place varies widely across the five industries under examination here. In commodity industries such as farm raised salmon and pulp and paper, markets are fiercely competitive. In these industries, Maine production facilities are tied into national and international markets and branding campaigns, making any kind of Maine branding for these products less desirable to the multinational companies.

In Maine’s ground fish industry, the Portland Fish Exchange has enhanced the marketing of Maine seafood products by consolidating the products of about 200 family-owned fishing boats into one robust marketplace. Wholesale buyers from Maine to New York attend and buy fish at daily auctions held there. And several Maine specialty food products like Raye’s Mustards and Stonewall Kitchens’ products have successfully carved out niche markets. Tourism’s marketing efforts are quite well coordinated through the Office of Tourism, though tourism experts routinely suggest that these efforts are grossly under-funded, leading to tremendous lost opportunities. And the growth in local markets for Maine produced agricultural products has been impressive to date and illustrates the opportunities for future growth.

Comprehensive branding, Maine quality certification, niche development, enhanced marketing funding, and the development and integration of local markets all hold promise for these five sectors.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Develop a Comprehensive (“single image”) Branding Campaign for all of Maine’s Natural Resource-Based Industries.** – The Maine Office of Tourism (MOT) should be charged with developing, to the fullest extent possible, one common theme under which all of Maine’s natural resource-based products may be marketed. If one comprehensive brand is found to be unworkable or impractical, the MOT should lead efforts to develop brands for the five industry sectors which will complement and reinforce each other, maximizing the effect of Maine’s limited marketing dollars. A first task for the MOT to undertake is to meet with leaders across all five sectors to identify funding streams to support this critical branding and marketing effort.
- ❖ **Create and Strengthen Links Between Maine Agricultural Entities and Fisheries, and Maine Restaurants** – The Maine Departments of Agriculture and Marine Resources, and the Maine Restaurant Association, in cooperation with the Eat Local Foods Coalition, the Maine Innkeepers Association, the University and the Community College System, should be tasked with developing strong marketing channels that enable Maine restaurants, inns and college campuses to feature Maine food products. This effort should also include outreach to Maine’s government facilities, schools, hospitals, summer camps and other institutions.
- ❖ **Strengthen Maine’s Farmers’ Markets** – The State’s growth management and community planning efforts should work with the Maine Downtown Initiative (a program run by the Maine Development Foundation) to create and support community farmers’ markets in village areas.
- ❖ **Develop and Formalize Strong Working Relationships with Government and Industry in Atlantic Canada** – Strengthen marketing opportunities for natural resource-based products by creating partnerships with neighboring Canadian provinces and exploring joint production and marketing of such products as mussels, lobster, ground fish and salmon, as well as agricultural and forest products.

C. Strengthening Small Business Support

1. Articulating the Issue

Once you strip out the paper industry and a few large resorts or recreational facilities, the vast majority of people employed in Maine's natural resource-based industries work in small businesses. In fact, not only are these businesses small, but in many cases they would be considered micro-enterprises, which tends to magnify the challenges they face. Further, given their dependence on natural resources, these small businesses are spread across the state and often located in Maine's most rural areas. Whether logging contractors, commercial fishermen, family farms, bed and breakfast operators, sports camp owners, or holders of aquaculture leases, workers in all five industries share the issues common to small businesses in Maine and elsewhere. Given the small scale of their business, it is difficult to secure affordable insurances, to access technical and educational training, to participate in political processes, to gain clout or purchasing power in the market place. Lack of time and resources make it difficult to visit other operations or seek out best business practices or to negotiate deals with vendors. In addition, the very nature of the work is relatively dangerous, adding unusually high costs to insuring their businesses, or, as is sometimes the case, forcing them to be under-insured.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Provide Basic Business Skill Development Programs across all Five Industries** - Charge the University System and the Community College System, in cooperation with the Small Business Administration (SBA) and other entities that deliver services to small entrepreneurial enterprises, to develop a program through which existing training efforts are focused and coordinated, unmet needs are identified, and new outreach programs are created to serve this vital need.
- ❖ **Develop Comprehensive Apprenticeship and Mentoring Programs for all of the Natural Resource-based Industries** - Charge the Department of Labor, in partnership with Maine's Community College System, the State's secondary-level Vocational-Technical Centers, the University, and industry experts, with leading this effort to identify, train, mentor and encourage young people to pursue such professions as logging contractors, farming, or aquaculture.
- ❖ **Build on the successful 2+2+2 Programs that Offer an Educational Ladder from High School through the University** – The University, Community College System and the Department

of Education should develop a number of natural resource tracts that can equip young people with the entrepreneurial, business and technical skills they need to succeed in these industries and to enable them to reach their highest potential in formalized education. (see recommendation under “Clear, Predictable Public Policy”)

- ❖ **Develop Affordable Group Health, Dental and Long-term Care Insurance Options** – Form and empower an inter-industry organization or a formalized inter-agency team to secure and provide reasonably-priced insurances for the small businesses across all of these industry sectors.
- ❖ **Access Adequate Seasonal Labor** – Develop a program (or build on existing programs) that identifies, screens, and secures appropriate domestic and foreign workers to fill seasonal jobs during peak tourist season and key agricultural harvesting periods.
- ❖ **Develop Affordable Workers’ Compensation Insurance Options** – Form and empower an inter-industry organization or a formalized inter-agency team to secure and provide reasonably-priced workers’ compensation insurance for the small businesses across all of these industry sectors.
- ❖ **Develop Personal Savings and Investment Plan Options for these Sectors** – Form and empower an inter-industry organization or a formalized inter-agency team to secure and provide technical assistance for long term savings and investment planning for the small business people across all of these industry sectors.
- ❖ **Facilitate the Development of Cooperative/Aggregated Purchasing Options** - Form and empower an inter-industry organization or a formalized inter-agency team to secure and provide for aggregated electricity purchases, heating and transportation fuel bulk purchases, and other commodity cooperative purchases for the small businesses across all of these industry sectors.
- ❖ **Develop and Implement a Strategy for Identifying Best Practices in each of the Five Sectors** - Charge the University of Maine’s Cooperative Extension Program with leading this effort, using existing channels to get information and training opportunities out to the sectors.

D. Objective Data, Research and Science for Policymaking

1. Articulating the Issue

Even a cursory examination of the five background papers on Maine’s natural resource-based industries shows an over-arching need for good,

objective information on which business and policy decisions can be made.

From the tourism industry, there is a plea for establishment of a high-level center of on-going basic and applied research into the economic, physical and cultural attributes of Maine's hospitality and recreation industry. Tourism, agriculture, and the fisheries share the common need for accessing and applying best practices, for developing measures of carrying capacity, and for identifying and capturing new markets. The commercial fisheries, most critically, but aquaculture, agriculture and the forest products industries desperately need scientific research to guide the use and development of their resource, and to assure that sustainable harvesting practices are put in place so that the resource is not damaged or depleted. As natural resource industries increasingly use more complex adaptive management regimes, capacity in complex system science may have to expand.

In a knowledge-based economy, access to objective data, research and science is absolutely essential in assuring long-term viability of these and other industries. Perhaps the greatest opportunities for Maine's wood fibers, agricultural products or bi-products, and the vast marine resources have not yet been discovered or developed. Evolving our strategies from extraction towards creation offers tremendous potential for Maine in the knowledge economy. Whether it's wood fiber used for new building supplies, forest or agricultural biomass converted to cleaner, renewable fuels, or medicine harvested from the sea, all offer great promise for Maine and demand a vastly greater focus on research and development.

Further, Maine has an opportunity to take the lead in cold water marine research. By building on the efforts of the University and existing public and private research facilities in Maine, we can create good paying jobs in marine sciences.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Encourage the Development of a Natural Resource Research and Development Agenda in Maine's University System** – The Governor and Legislature should ask the University System to explore the opportunities for developing a research agenda that would support the ongoing health and viability of Maine's natural resource-based industries. This agenda should lay out plans and incentives for encouraging faculty, graduate and under-graduate research to focus on issues that are of major concern to Maine industry. The plan should also examine the potential for endowed chairs or centers for research on relevant topics. And, to the fullest extent possible, math, statistics and economics classes should be

given real life, Maine-based problems to solve to heighten the awareness of students to the issues faced by Maine businesses and to contribute information and data to Maine industry.

- ❖ **Establish a Bachelors and Masters Degree Program in Hospitality and Tourism** – Development of these degree programs within the University System and the Community College System should be done in consultation with the Maine Office of Tourism and industry stakeholders. The degree, research, and extension programs will also seek to enhance economic linkages between the tourism industry and fisheries, aquaculture, agriculture, and forestry, as well as with the creative economy. In addition, a high-level center of ongoing basic and applied tourism research with a related extension program should be established within the university system. The research and extension program will provide market and product information and technical assistance to Maine’s tourism industry.
- ❖ **Increase the State Planning Office’s Capacity to Provide Technical Assistance to Municipalities Seeking Tourism Industry Growth** – Assistance should be provided in the form of tools to assess industry economic, social and environmental benefits and costs, to determine carrying capacity limits, and to encourage industry growth accordingly. The emphasis of the technical assistance provided should respect the interests of the local municipality.

E. Clear, Predictable Public Policy

1. Articulating the Issue

Within any economic sector clear and stable public policy is essential to long-term viability and overall success. Lack of clarity can diminish the potential effectiveness of programs and investments. Worse yet, an unpredictable, frequently changing public policy setting will increase risks to investors, diminishing the number and level of investments in our state. Without appropriate investments in capital equipment, technology and skill development, these industries will quickly become unable to compete.

The lack of a clearly defined and articulated, stable natural resource policy has led to frustration among stakeholders and potential investors, periods of disruption in economic activity, and the deferment or cancellation of needed investments in Maine. The clear-cutting referendum led to years of bitter dispute and suspension of investment in our forest products industries. The perennial heated debate over funding the Business Equipment Tax Reimbursement (BETR) deters or, at a minimum, diminishes critical capital investments being made as investors are not

sure whether or not they can count on the incentive going forward. The lack of a clear strategy for aquaculture development has led to numerous contentious discussions up and down the coast of Maine.

While an economy can and does survive in uncertain settings, the presence of clear and predictable expectations, guidelines, and rules will greatly enhance the viability of all organizations working within the system.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Develop a Clear, Comprehensive, Balanced Natural Resource Policy for Maine** – The State Planning Office should be charged with leading a coordinated visioning process (which includes representatives of each industry, environmental concerns and academic institutions and takes into account information coming out of this conference) which results in a clearly articulated vision for Maine’s natural resource-based industries and goals within and across these sectors to move us towards that vision.
- ❖ **Establish a Benchmarking Process Modeled After or Incorporated into the Maine Economic Growth Council’s Annual Measures of Growth Report** – The Measures of Growth benchmarking process has provided Maine leaders with an invaluable tool for identifying issue areas across the economy.
- ❖ **Create a Standing Council (modeled after the Growth Council) to Review Annual Benchmarking Results and Recommend Policy or Program Changes to Keep Maine on Track** – To move Maine towards our vision, some entity must be charged with tracking progress, identifying issue or opportunity areas, and making appropriate course corrections. (The State Planning Office or the Maine Economic Growth Council could play this role).
- ❖ **Request that the Higher Education Joint Advisory Committee (HEJAC) Review Existing and New Articulation Agreements and Explore New Academic Programs which Support Maine’s Natural Resource-Based Industries: Fishing, Farming, Forestry, Aquaculture and Tourism.** - The Higher Education Joint Advisory Committee (HEJAC), a committee created by the Chancellor of the University of Maine System and the President of Maine’s Community College System, is made up of three Presidents from each System. The purpose of the HEJAC is to support both Systems in their collaborative work to address college aspirations, to develop systems which encourage student admissions and transfer, to encourage cost savings and to share best practices.
- ❖ **Develop a Clear, Comprehensive, Balanced Policy for Uses of Maine’s Coast and Coastal Waters.** – The Department of Marine

Resources and the Office of Tourism, augmented with outside stakeholder representation and building on the work of the Aquaculture and Ground Fish Task Forces, should be charged with developing an explicit set of policies which are substantive, balance a diversity of interests and include clear guidelines and performance standards. Divergent interests must be at the table such as aquaculture, tourism, commercial fishing, and coastal residents and business owners.

- ❖ **Post an Updated List of “Current Efforts Underway” on a Central, Natural Resource Web Site** – The State Planning Office should develop and monitor a web-based listing of all efforts underway to ensure that ground-level policy development is open to all interested parties.

F. Tax Policy and Economic Development Incentives

1. Articulating the Issue

Maine’s tax structure and relatively high tax burden are clearly issues that cut across each of the natural resource-based industries. After reviewing the five industry papers and administering an informal survey of stakeholders, two taxes emerged as the most problematic to all of these industries, namely the property tax and the personal property tax on machinery and equipment. Burdensome property taxes squeeze farmers and timberland owners, and pose more significant threats to fishermen who live and work on coastal properties. To a certain extent, current use valuation has relieved the pressure of this tax on farmers and foresters, but no such program has yet been offered to fisherman. The personal property tax on machinery and equipment is seen as a deterrent to capital investment and puts all Maine business at a competitive disadvantage.

The availability of economic development resources provided to these industries seems to be much less of an issue, however, the dollars allocated may be targeted to the wrong places or, at a minimum, could be much more effectively targeted to provide greater assistance. In the March 2001 report, *Fishing, Farming and Forestry: Resources for the Future*, researchers found that while these sectors contribute less than 10% to Maine’s Gross State Product, they garnered nearly 36% of all economic development dollars. To suggest that these industries are not receiving their fair share of scarce economic development resources would be incorrect. To suggest that these resources could and should be re-directed is a fair and informed idea.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Eliminate the Personal Property Tax on Machinery and Equipment for Investments Made After April 2004** – In an effort to encourage capital investment in these and all related industries, this tax should be eliminated prospectively.
- ❖ **Examine the Potential for Extending Pine Tree Zone Benefits to Natural Resource-based Businesses Which May Need to Locate Outside the Specified Zones** – The Department of Economic and Community Development should examine the potential for providing these incentives to businesses outside the zones if that business needs to be close to the natural resource or if the development of that business would strongly support natural resource-based businesses which are located in the zone.
- ❖ **Develop a Comprehensive Plan for Reducing Energy Costs Across all Industries** – The Energy Resources Council should be charged with developing a long-term plan for reducing energy costs, developing renewable resources powered by the waste stream in these natural resource-based industries, and investing in efficiencies to reduce energy consumption and emissions.
- ❖ **Improve Access to Technology and Financial Assistance by Taking Development Resources to the Regions** – The Department of Economic and Community Development, in partnership with the Departments of Conservation, Agriculture and Marine Resources, the Maine Technology Institute, the Maine International Trade Center, the Finance Authority of Maine (FAME), Coastal Enterprises, Inc. (CEI), the Federal Agencies and individual industry leadership, should establish a business management and assistance seminar program which travels to different regions of the state through the course of the year.
- ❖ **Develop a Regulatory Support System Infrastructure for all Small Businesses in these Industries** – The State Planning Office, in partnership with each of the natural resource agencies, the Department of Economic and Community Development and the Department of Environmental Protection, should lead an evaluation of the regulatory burdens faced by businesses in these sectors and should develop a pro-active program that eliminates and streamlines regulations that are within the State's control and that updates and informs Maine's businesses about regulatory changes and potential compliance issues.
- ❖ **Develop Working Waterfront Legislation to Protect and Promote the Commercial Activities Along Maine's Coast** – The Working Waterfront Coalition should be asked to develop a comprehensive policy agenda detailing necessary access, land-use, and tax policies along with financing programs to keep Maine's working waterfront vibrant.

- ❖ **Establish Meaningful Development Incentives to Encourage Private Sector Tourism Industry Investment in Targeted Areas**
 - The Maine Office of Tourism should be charged with developing targeted incentives using the Pine Tree Zones. There are numerous incentive opportunities and opportunity zones for other industry development interests; similar offerings should be made available to tourism businesses if expansion into the underdeveloped areas of the state is to be realized.
- ❖ **Study the Potential Elimination or Reduction of the Sales Tax for Diesel Fuel Consumed on Fishing Vessels and in Logging Operations.**

G. Coordination/Collaboration Across Industries & Govt. Agencies

1. Articulating the Issue

The degree of organization and collaboration within the natural resource-based industries varies widely. Tourism and agriculture could perhaps be held up as exemplary. Tourism has a number of associations (Maine Innkeepers Association, Maine Restaurant Association, Maine Campground Owners Association, etc.) which all are represented on the Maine Tourism Commission and which are all served by the Maine Office of Tourism. Similarly, the agricultural sector has a Blueberry Commission, a Dairy Council, MOFGA, and other entities which represent and promote aspects of the sector as well as AGCOM which unites them. The forest products sector also has numerous associations (Maine Pulp and Paper Association, Maine Forest Products Council, Maine Secondary Wood Products Association, Maine Independent Energy Producers, etc.) but there doesn't appear to be any umbrella organization that brings these interests together. Similarly, Maine fisheries have numerous small associations, but these groups generally don't communicate with each other and lack a central voice or organization that could bring interests together to work on common issues.

Clearly, there is opportunity within these sectors to effectively tackle the issues they have in common if there were a higher degree of coordination and collaboration. Additionally, each sector is served by a different state department or, in some cases, federal agency. Greater coordination of government interests has tremendous potential for effectively aiding in the development of these sectors.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Empower an Inter-industry Team to Develop a Long-term Vision and Strategies to Attain that Vision of Developing Productive, Multi-use Forests** – The Office of Tourism should work with the Department of Conservation and the Department of Inland Fisheries and Wildlife to develop a long-term plan for identifying eco-tourism and cultural tourism assets, directly linking the outdoor recreation and tourism industries with Maine's green forest and forest products industry, and encouraging partnerships with landowners for specialized recreational activities.
- ❖ **Empanel a group of dynamic, natural resource-based industry leaders and other action-oriented thinkers to network and to ensure that Maine is moving towards the vision** – Strengthening the connections among industry leaders of all of these industries and establishing a framework for action-oriented, positive discussion will bolster the coordination and collaboration going forward.
- ❖ **Challenge the Ground Fish Task Force, the Aquaculture Task Force and Other Fishing Industry Groups to Work Together with the Department of Marine Resources in Developing a Multi-Use Policy Agenda for Maine's Marine Resources** – The various sectors in fisheries and aquaculture should be brought together to work out whatever differences they may have and to develop a common vision and development plan for Maine's coastal waters.
- ❖ **Formalize the work of the Blaine House Conference on Natural Resource-based Industries Planning Committee into a standing advisory committee to the Governor** - to ensure and strengthen cross-industry coordination in the future. In addition to formalizing the committee's role, broaden its membership to include appropriate private sector representation from each of the major industry groups.

H. Public Infrastructure

1. Articulating the Issue

Infrastructure is the very foundation that supports all economic activity. Nowhere is traditional infrastructure more important than in the natural resource-based industries. Road networks, ports, piers, airports and railways are critical to the very survival of each of these industries. Though the focus may vary, the overall importance is beyond question. Inputs to and exports of the paper industry rely heavily on rail and on ports with warehousing infrastructure. Agricultural and wood products depend

heavily on adequate roadway systems. The fishing and aquaculture industries rely on accessible, fully equipped piers and vibrant ports. And tourism's vitality is based, in part, on safe, efficient highways, airports and alternative transportation systems.

The value of public infrastructure to these traditional industries can not be overstated.

2. Cross-Cutting Opportunities & Recommendations

- ❖ **Support the implementation of the Maine Department of Transportation's Integrated Freight Plan.** - This plan calls for the development of a multimodal approach to moving goods into and throughout Maine by trucks, rail, and ships. This Plan includes the Maine DOT's Three Port Strategy to focus marine infrastructure investments in Eastport, Searsport, and Portland.
- ❖ **Support the implementation of the Maine Department of Transportation's *Explore Maine* passenger transportation plan.** - This plan calls for the development of an integrated, multimodal approach for moving visitors and residents into and throughout Maine without dependence on the private automobile. *Explore Maine* calls for public and private investments to support rail, marine, bus and air transportation, as well as bicycling and pedestrian trails.
- ❖ **Support the Construction of Publicly-Owned and Operated Warehousing Facilities in Portland** – In the short term, the Legislature should support a \$3 million bond to build a second warehousing facility at the Port of Portland.
- ❖ **Enhance the DOT Long-Term Plan by Including a Strategic Plan for Developing and Maintaining Public Warehousing Capacity.**
- ❖ **Increase the Development and Placement of Historical and Interpretive Signage** – Signage should be developed to encourage tourists to visit Maine's farmer's markets, farm stands and eco-tourism sights.

III. Summary

While Maine's aquaculture, fishing, farming, forestry, and tourism sectors are each "wonderfully unique, fiercely independent, and distinctly separate", this paper highlights the myriad of issues that they do share and the tremendous opportunities that could be seized if these industries worked together much more closely. The recommendations outlined in this paper are only a beginning and were developed with the hope that they would spur discussion and lead to the development of an action agenda that will reinvigorate Maine's Natural Resource-based Industries and lead to a vibrant and prosperous future.